

RE: Debrief of Canada-US 4 corners

From: "Turcotte, Julie" <"/o=exchangelabs/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=1d891608215f444c8f00d240ffd4cc0d-turcotte, j">
To: "Govier, Michèle" <michele.govier@fin.gc.ca>
Cc: "Mendes, Rhys" <rhys.mendes@fin.gc.ca>, "Halley, Patrick" <patrick.halley@fin.gc.ca>, "Mondy, Yannick" <yannick.mondy@fin.gc.ca>, "Bowden, Stuart" <stuart.bowden@fin.gc.ca>, "Xie, Cara" <cara.xie@fin.gc.ca>
Date: Fri, 11 Feb 2022 22:16:24 +0000

Thanks – quite useful as we refine our economic impact estimate.
At first glance, suggest about half of the traffic into the US diverted through the BlueWater Bridge (and about 40% of the traffic into Canada) but will dig into the data.
Not surprising to see a 3h wait time at that crossing but its good news in a sense that some trade flows can be diverted (at extra cost, of course).

Julie

From: Govier, Michèle <Michele.Govier@fin.gc.ca>
Sent: Friday, February 11, 2022 4:26 PM
To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Cc: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>; Halley, Patrick <Patrick.Halley@fin.gc.ca>; Mondy, Yannick <Yannick.Mondy@fin.gc.ca>; Bowden, Stuart <Stuart.Bowden@fin.gc.ca>; Xie, Cara <cara.xie@fin.gc.ca>
Subject: RE: Debrief of Canada-US 4 corners

Hello Julie,

Here is the latest from CBSA. First, the table below showing truck volumes (throughout Canada) over the last 7 days, compared to the same period a year ago.

Commercial Last 7 Days // Secteur commercial pour les 7 derniers jours									
		05-02-21	06-02-21	07-02-21	08-02-21	09-02-21	10-02-21	11-02-21	TOTAL
		04-02-22	05-02-22	06-02-22	07-02-22	08-02-22	09-02-22	10-02-22	
Highway Truck Volumes / Nombre de camions dans le mode routier	2021	19,009	9,079	4,683	14,121	18,085	19,457	19,646	104,080
	2022	15,709	8,462	4,692	12,912	15,150	17,184	17,221	91,330
	% change / changement en %	-17%	-7%	0%	-9%	-16%	-12%	-12%	-12%
Marine Releases / Mainlevées dans le mode maritime	2021	4,388	1,330	2,518	4,294	3,602	3,863	3,412	23,407
	2022	3,443	1,656	1,360	5,141	4,162	4,111	3,390	23,263
	% change / changement en %	-22%	25%	-46%	20%	16%	6%	-1%	-1%
Air Releases / Mainlevées dans le mode aérien	2021	13,596	4,908	2,448	13,012	15,475	16,181	9,855	75,475
	2022	10,342	6,136	5,343	14,450	16,967	17,530	17,280	88,048
	% change / changement en %	-24%	25%	118%	11%	10%	8%	75%	17%
Highway Releases / Mainlevées dans le mode routier	2021	52,677	20,680	8,354	46,111	56,066	50,007	52,780	286,675
	2022	36,602	21,555	12,189	43,304	51,615	54,115	51,548	270,928
	% change / changement en %	-31%	4%	46%	-6%	-8%	8%	-2%	-5%
Rail Releases / Mainlevées dans le mode ferroviaire	2021	1,209	719	1,128	812	1,045	1,092	1,097	7,102
	2022	2,078	1,440	1,369	1,885	1,896	2,184	1,432	12,284
	% change / changement en %	72%	100%	21%	132%	81%	100%	31%	73%
Total Releases / Total des mainlevées	2021	71,870	27,637	14,448	64,229	76,188	71,143	67,144	392,659
	2022	52,465	30,787	20,261	64,780	74,640	77,940	73,650	394,523
	% change / changement en %	-27%	11%	40%	1%	-2%	10%	10%	0%

And also attached are the CBSA data for Southern Ontario Region border crossings. The e-mail is the full data set from CBSA, which also includes travelers. The Word document consolidates the key commercial crossing information.

Key takeaways:

Total Canada Bound truck volumes at the Ambassador Bridge have decreased by 15,184 trucks (60%) in the past week while Canada Bound truck volumes at the Bluewater Bridge have increased by 7,830 trucks (56%).

Total Canada Bound truck volumes at the Ambassador Bridge in the past week have decreased by 19,565 trucks (66%) in the same period in 2020 and have decreased by 18,321 trucks (65%) in the same period in 2021; meanwhile Canada Bound truck volumes at the Bluewater Bridge have increased by 8,010 trucks (58%) in the same period in 2020 and increased by 6,968 trucks (47%) in the same period in 2021.

There is no data for Queenston Bridge commercial traffic US bound.

Total US Bound truck volumes at the Ambassador Bridge have decreased by 9,623 trucks (38%) in the past week while US Bound truck volumes at the Bluewater Bridge have increased by 3,918 trucks (28%).

Total US Bound truck volumes at the Ambassador Bridge in the past week have decreased by 14,969 trucks (49%) in the same period in 2020 and decreased by 11,998 trucks (43%) in the same period in 2021; meanwhile US Bound truck volumes at the Bluewater Bridge have increased by 2,930 trucks (20%) in the same period in 2020 and increased by 2,231 trucks (14%) in the same period in 2021.

If useful, we can provide updated data as it comes in from CBSA next week (though I believe some if not all of the data is generated weekly, not daily).

Michèle

From: Halley, Patrick <Patrick.Halley@fin.gc.ca>

Sent: Friday, February 11, 2022 8:59 AM

To: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>

Cc: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>; Govier, Michèle <Michele.Govier@fin.gc.ca>

Subject: Re: Debrief of Canada-US 4 corners

Merci Julie. Copying Michele whose division can help on cbsa data.

Sent from my iPhone

On Feb 11, 2022, at 08:54, Turcotte, Julie <Julie.Turcotte@fin.gc.ca> wrote:

Hi Patrick,

Attached is the note we did yesterday. Now working on a proper economic impact estimates.

The Ambassador Bridge is definitely a pinch point, as the auto sector on both side of the border is heavily reliant on this crossing.

So far, we estimate that about \$500M worth of goods could be impacted every day by these three blockades.

This wont translate into a one-for-one economic impacts on GDP as some of the trade flow could be diverted to other bridges (at higher transportation cost – a sign of that is waiting time increasing at nearby crossings) and, so far, many producers will maintain production in expectation of eventual resolution of the blockades, piling on and/or relying on inventories.

The longer it takes to resolve, the more disruptive it then becomes because some producers will have to shut down production (as we have seen with auto producers). In general, for lengthy disruptions lasting more than a few days, we could expect from a fifth to up to a half of the value of trade flows to result in a GDP loss. But this depends on the extent of alternative routes/modes of transportation, types of goods traded (e.g. just in time cars, or perishable foods, etc.), etc.

On our side, will be useful to get any intel on timely border crossing data so we can monitor extent of diversion from blockades to other crossings – anything you have will be very useful.

I am in contact with Transport Canada so getting intel from their side too.

Thanks!

Julie

Julie Turcotte
Director General | Directrice générale
Economic Analysis and Forecasting Division | Division de l'Analyse et Prévisions Économiques
Economic Policy Branch | Direction de la Politique économique
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Julie.Turcotte@fin.gc.ca | cell: Personal Info.

From: Mendes, Rhys <Rhys.Mendes@fin.gc.ca>
Sent: Friday, February 11, 2022 8:38 AM
To: Halley, Patrick <Patrick.Halley@fin.gc.ca>
Cc: Turcotte, Julie <Julie.Turcotte@fin.gc.ca>
Subject: Re: Debrief of Canada-US 4 corners

Thanks Patrick. Looping Julie in. Will forward you what we have.

On Feb 11, 2022, at 8:29 AM, Halley, Patrick <Patrick.Halley@fin.gc.ca> wrote:

Rhys,
I didn't know you were tracking the econ disruptions from protests but there was a short discussion on borders at the weekly 4C on Cda-US that I generally attend. Wouldn't mind getting the material you are working on when it is ready. And if you need CBSA data, let me know as we have a direct line with them on border crossings data (that we used extensively during the early days of COVID)

Patrick

From: Halley, Patrick
Sent: Thursday, February 10, 2022 7:36 PM
To: Sabia, Michael <michael.sabia@fin.gc.ca>; Leswick, Nick <Nick.Leswick@fin.gc.ca>
Cc: Williams, Tushara <Tushara.Williams@fin.gc.ca>; Darragh, Kristy <kristy.darragh@fin.gc.ca>; Govier, Michèle (<Michele.Govier@fin.gc.ca> <Michele.Govier@fin.gc.ca>; Purves, Glenn

<glenn.purves@fin.gc.ca>; Verheul, Steve <Steve.Verheul@fin.gc.ca>

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Michael, Nick

Late this afternoon, Michèle participated in the weekly 4C meeting on Canada-U.S. issues management. Bud from MINO was also on the line.

On **EVs**, there was limited discussion. The Embassy confirmed there has been little activity on the file, and noted that their latest engagement (with Democratic Senator Kyrsten Sinema) suggested that there would likely be no discussion of the Build Back Better Act, or its components, until April or May at the earliest. GAC officials met with USTR officials following a formal request from the U.S. under the consultation provisions of the CUSMA Agriculture chapter, concerning the quarterly allocation of TRQs (which was done pursuant to the Freeland/Ng letter indicating CUSMA TRQ benefits could be suspended if the EV matter is not resolved). The US indicated that they perceived the quarterly allocation as a unilateral suspension of CUSMA benefits, in reaction to a program that was only a proposal at this time. The US indicated they may seek further discussion, but gave no indication that they planned to move such discussions to the CUSMA's dispute settlement process.

There was no discussion of **reciprocal procurement**.

There was discussion of **border disruptions**. While several of the key players from PCO were not on the line to provide updates, officials from the Embassy confirmed the significant outreach they have had from various US interlocutors (members of Congress from affected regions, Cabinet secretaries, Governor Whitmer), expressing concern and a desire to help. Jody Thomas and Rob Stewart had a call with the U.S. Homeland Security Advisor earlier this week, with another call planned for this evening. The CBSA was also on the line, providing updates on its operations at affected borders. Most notably, it appears GM is seeking to rent an ice-breaker and transport vehicles and parts via the Great Lakes, and has worked with CBSA to ensure clearance. The CBSA also noted that disruptions may affect the Niagara region next, and they are in discussion with local officials.

Patrick

<Backgrounder - Ambassador Bridge Blockade.docx>